

DATE: January 11, 2007

TO: CVRC Board Directors
Chair and Redevelopment Agency Members

VIA: Jim Thomson, Interim Chief Executive Officer *jt*

FROM: Ann Hix, Acting Director of Community Development *ABH*
Mandy Mills, Housing Manager *AM*

SUBJECT: CONSIDERATION OF THE SALE OF SPACE 2 AT ORANGETREE
MOBILEHOME PARK

BACKGROUND:

In November 1987, Orange Tree Mobilehome Park converted to resident ownership. The Agency assisted residents in purchasing their park with a \$600,000 acquisition loan, which was converted to loans for lower income residents to help them purchase spaces they had been renting. At that time, 29 residents either did not wish to or could not afford to purchase their mobilehome spaces. The Redevelopment Agency agreed to purchase the remaining spaces after the newly-formed homeowner's association was unable to secure the financing to purchase them. The Redevelopment Low and Moderate Income Housing Set-aside Fund was used to purchase the remaining spaces. Residents who did not purchase their space remained as renters in the Park.

It was also the Agency's intent to sell these remaining spaces as new mobilehome buyers moved into the park, or to sell the spaces to the current residents when they were in the position to buy. Over the last 19 years, 23 spaces have been sold. Proceeds from the sales have been deposited in the Redevelopment Low and Moderate Income Housing Set-aside Fund. Only six spaces remain in Agency ownership. The current resident renting Space 2 has submitted an offer to purchase. The property is located in Orange Tree Mobilehome Park at 521 Orange Avenue.

ENVIRONMENTAL DETERMINATION

The Environmental Review Coordinator has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that there is no possibility that the activity may have significant effect on the environment; therefore, pursuant to Section 15061 (b)(3) of the State CEQA Guidelines the activity is not subjected to CEQA. Thus, no environmental review is necessary.

RECOMMENDATION:

1. That the Redevelopment Agency conduct a public hearing and consider testimony;
2. That the CVRC adopt a resolution recommending that the Redevelopment Agency authorize the Community Development Director to execute a purchase contract and related documents for Space 2 at Orange Tree Mobilehome Park; and
3. That the Redevelopment Agency adopt a resolution approving the real estate purchase contract and authorizing the Community Development Director to execute said contract and related documents for Space 2 at Orange Tree Mobilehome Park.

DECISION MAKER CONFLICT

Staff has reviewed the property holdings of the CVRC Board and Redevelopment Agency members and has found no property holdings within 500-feet of the boundaries of the property which is the subject of this action.

DISCUSSION:

On November 29, 2006, Clifford H. Baas submitted an offer to the Community Development Department to purchase Space 2 for \$47,000. The land value of the property has been appraised at \$50,500. Staff recommends that the Agency accept the offer of \$47,000, \$3,500 less than the appraised value because of the Agency's desire to sell the spaces. Although the purchase price is less than the appraised value, this sale will meet the Agency's goals of fostering permanent housing opportunities for low and moderate income residents.

This is a request to authorize the Community Development Director to execute a purchase contract (attached) and related documents as approved by the City Attorney's office for the sale of Space 2 at Orange Tree Mobilehome Park.

California Health and Safety Code, Article 11, Section 33431 requires a public hearing to consider a sale of agency-owned property without public bids. Staff believes that the proposed sale is appropriate because the sales price is consistent with the fair market value of the property.

FISCAL IMPACT:

Proceeds of the sale, less the estimated closing costs of approximately \$800, will be deposited into the Agency's Low and Moderate Income Housing Set-aside Fund for further use in providing affordable housing programs within the City.

PREPARED BY: Stacey Kurz, Senior Community Development Specialist

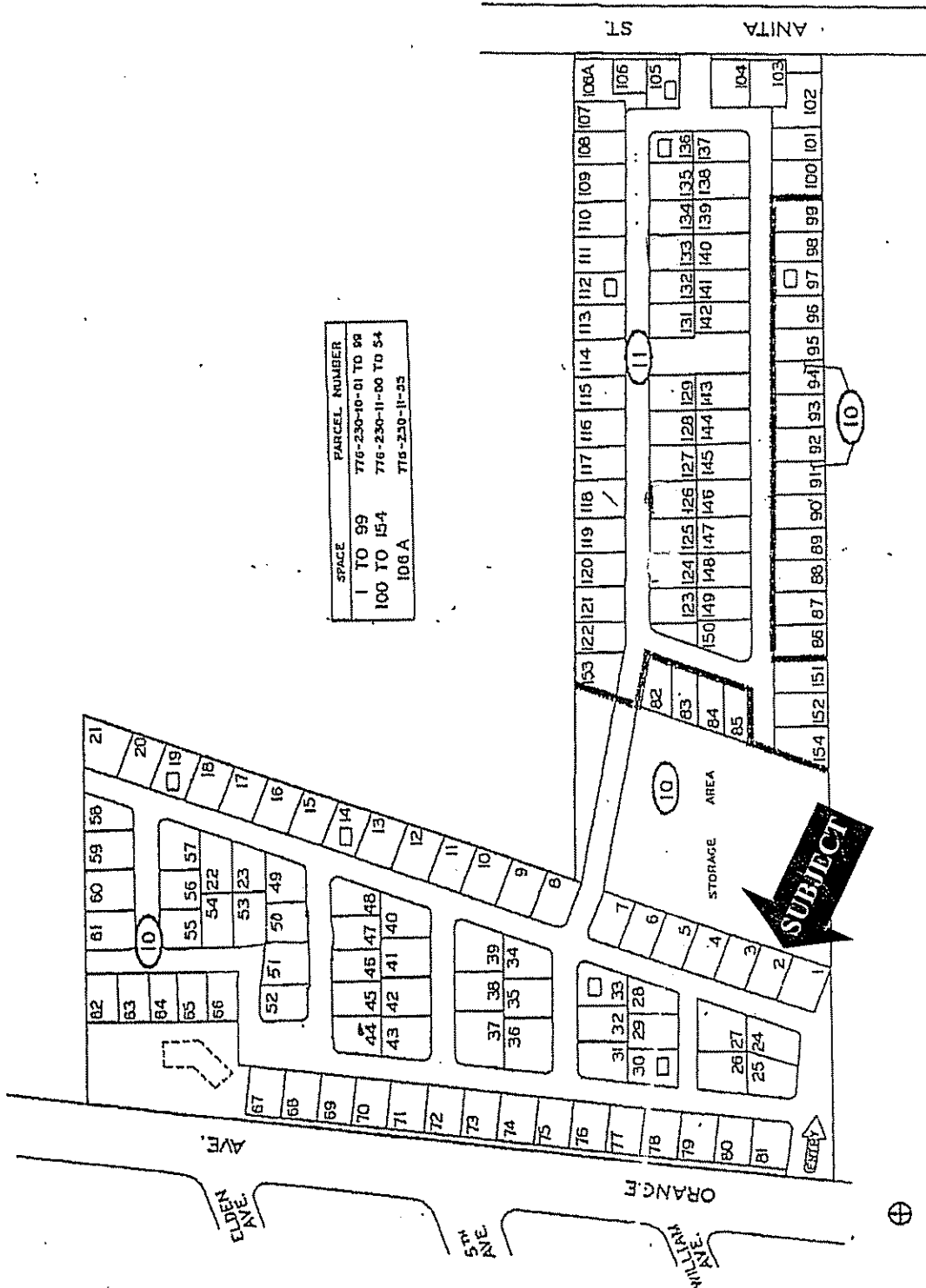
NO SCALE

12-14-92 LC

CHANGES			
BLK	OLD	NEW	CUT
11	12-14-92	12	94-4147
11	12-14-92	30	51-4725
10	10	KILL	55-4319
10	12-14-92	01	55-4435

[illegible]

SPACE	PARCEL NUMBER
1 TO 99	776-230-10-01 TO 99
100 TO 154	776-230-11-00 TO 54
106 A	776-230-11-55



ORANGE TREE MOBILE HOME PARK
MAPPED FOR MOBILE HOME ASSESSMENT ONLY

11-2-73
MEMPHIS

BAY DEER COUNTY
ASSESSORS MAP
BOOK 62-3, PAGE 61-1. SHT. 2
WANTED FOR ASSESSMENT PURPOSES ONLY

CVRC RESOLUTION NO. 2007-_____

RESOLUTION OF THE CHULA VISTA REDEVELOPMENT
CORPORATION OF THE CITY OF CHULA VISTA
RECOMMENDING THAT THE REDEVELOPMENT AGENCY
AUTHORIZE THE COMMUNITY DEVELOPMENT
DIRECTOR TO EXECUTE A PURCHASE CONTRACT AND
RELATED DOCUMENTS FOR SPACE 2 AT ORANGE TREE
MOBILEHOME PARK

WHEREAS, the Redevelopment Agency currently owns mobilehome spaces at Orange Tree Mobilehome Park located at 521 Orange Avenue, Chula Vista; and

WHEREAS, an offer to purchase space 2 at Orange Tree Mobilehome Park has been received by the Community Development Department for \$47,000; and

WHEREAS, the land value has been appraised at \$50,500; and

WHEREAS, this sale will meet the Agency's goals of fostering permanent housing opportunities for low and moderate income residents; and

WHEREAS, Article 11, Section 33431 of the Health and Safety Code requires a public hearing be held for any sale or lease of Agency-owned property without public bids; and

WHEREAS, said public hearing has been conducted pursuant to Section 33431 for the sale of space 2 at Orange Tree Mobilehome Park; and

WHEREAS, the Redevelopment Agency has found and determined that the sale of space 2 at Orange Tree Mobilehome Park to the buyer, on the terms proposed is for fair value under the circumstances, is in the best interest of the Redevelopment Agency, and is consistent with its housing goals; and

WHEREAS, the Environmental Review Coordinator has reviewed the proposed activity for compliance with the California Environmental Quality Action (CEQA) and has determined that there is no possibility that the activity may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

NOW, THEREFORE, BE IT RESOLVED the Chula Vista Redevelopment Corporation of the City of Chula Vista recommends that the Redevelopment Agency authorize the Community Development Director to execute a purchase contract and related documents for Space 2 at Orange Tree Mobilehome Park.

PRESENTED BY

APPROVED AS TO FORM BY

Ann Hix
Acting Community Development Director

Ann Moore
Agency Counsel

RDA RESOLUTION NO. 2007-_____

RESOLUTION OF THE REDEVELOPMENT AGENCY OF
THE CITY OF CHULA VISTA APPROVING THE REAL
ESTATE PURCHASE CONTRACT AND AUTHORIZING THE
COMMUNITY DEVELOPMENT DIRECTOR TO EXECUTE
SAID CONTRACT AND RELATED DOCUMENTS FOR
SPACE 2 AT ORANGE TREE MOBILEHOME PARK

WHEREAS, the Redevelopment Agency currently owns mobilehome spaces at Orange Tree Mobilehome Park located at 521 Orange Avenue, Chula Vista; and

WHEREAS, an offer to purchase space 2 at Orange Tree Mobilehome Park has been received by the Community Development Department for \$47,000; and

WHEREAS, the land value has been appraised at \$50,500; and

WHEREAS, this sale will meet the Agency's goals of fostering permanent housing opportunities for low and moderate income residents; and

WHEREAS, Article 11, Section 33431 of the Health and Safety Code requires a public hearing be held for any sale or lease of Agency-owned property without public bids; and

WHEREAS, said public hearing has been conducted pursuant to Section 33431 for the sale of space 2 at Orange Tree Mobilehome Park; and

WHEREAS, the Redevelopment Agency has found and determined that the sale of space 2 at Orange Tree Mobilehome Park to the buyer, on the terms proposed is for fair value under the circumstances, is in the best interest of the Redevelopment Agency, and is consistent with its housing goals; and

WHEREAS, the Environmental Review Coordinator has reviewed the proposed activity for compliance with the California Environmental Quality Action (CEQA) and has determined that there is no possibility that the activity may have a significant effect on the environmental; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Chula Vista as follows:

1. That based on the facts and findings set forth above, the Redevelopment Agency of the City of Chula Vista does hereby approve the sale of space 2 at Orange Tree Mobilehome Park to Clifford H. Baas for the purchase of \$47,000; and

2. That the Redevelopment Agency of the City of Chula Vista does hereby authorize the Community Development Director to execute a purchase contract on the terms presented, in

substantially the same form on file in the City Clerk's office, and escrow instructions, each in a final form approved by the Agency Attorney, and with such additional provisions as may be deemed necessary or appropriate thereby; and

3. That the Redevelopment Agency of the City of Chula Vista does hereby authorize the Community Development Director to take such other action as deemed necessary to consummate said sale of space 2 at Orange Tree Mobilehome Park.

PRESENTED BY

APPROVED AS TO FORM BY

Ann Hix
Acting Community Development Director

Ann Moore
Agency Counsel

J:\COMMDEV\CVRC\CVRC Meetings\Staff Reports\2007\01-11-07\Orange Tree Lot 2 - RDA Reso.doc



REAL ESTATE PURCHASE CONTRACT AND RECEIPT FOR DEPOSIT

**This is more than a receipt for money. It is a legally binding contract.
Read it carefully.**

REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA COMMUNITY DEVELOPMENT DEPARTMENT

Standard Form

Chula Vista, California _____, 2007

Clifford H. Baas, ("Buyer"), desires to purchase Space 2 at Orange Tree Mobilehome Park, 521 Orange Avenue, Chula Vista. The Redevelopment Agency of Chula Vista ("Agency") has received from Buyer, the sum of three hundred fifty dollars (\$350.00) evidenced by: *[mark one]*

☐ Cash ☐ Cashier's Check ☒ Personal Check ☐ Other

payable to the Redevelopment Agency of the City of Chula Vista as a non-refundable deposit on account of purchase of property. Upon acceptance of this offer, Clifford H. Baas will deposit into escrow the remaining balance \$46,650 of the purchase price of \$47,000, for the purchase of property situated in Chula Vista, County of San Diego, California, described as follows:

SEE ATTACHED LEGAL DESCRIPTION

(More commonly known as Space 2 at
Orange Tree Mobilehome Park, 521 Orange Avenue, Chula Vista) (the "Property")

1. Buyer will deposit in escrow with Heritage Escrow the balance of \$46,650 towards the purchase price of \$47,000.
2. Redevelopment Agency of the City of Chula Vista will credit the \$350 received as a non-refundable deposit towards the purchase price of \$47,000.
3. Buyer intends to occupy the Property as his residence.
4. Buyer and Agency (collectively, the "Parties"), shall deliver signed instructions to the escrow holder within seven (7) days from Agency acceptance, which shall provide for closing within 30 days from Agency's acceptance. Escrow and other fees to be paid as follows:

By Agency:

1. Owner's Title Insurance Policy
2. One-half of Escrow Fee
3. Document Transfer Tax
4. Document Preparation Fee
5. IRS Tax Report
6. One-half of Transfer Fee of Homeowners Association
7. Proration of Property Taxes and Homeowners Association Fee

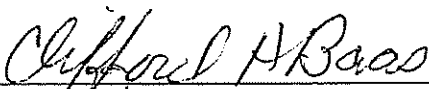
By Buyer:

1. One-half of Escrow and Homeowners Association Fee.
2. If the sale is not completed due to fault of the Buyer, Buyer shall be responsible for any escrow and related fees.
5. Approval of this sale shall be contingent upon final approval of the Redevelopment Agency of the City of Chula Vista.
6. Buyer acknowledges having received copy of the Declarations, Covenants, Conditions and Restrictions and all amendments hereto, if any, governing the described property, together with a copy of the By-laws of the Orange Tree Homeowners Association.
7. Buyer and Agency each acknowledge receipt of a copy of this "Real Estate Purchase Contract And Receipt For Deposit" (the "Agreement"), which is comprised of three pages.
8. This Agreement constitutes the entire Agreement between the Parties. Any amendments to this Agreement shall be in writing and shall be signed by both Parties.
9. If a lawsuit is filed in connection with this Agreement, the prevailing party shall be entitled to be compensated for legal expenses including reasonable attorneys' fee.
10. Buyer agrees and acknowledges that he may have made an independent investigation to the extent Buyer deems appropriate, concerning the physical condition (including the existence of hazardous materials), value, development, use, marketability, feasibility and suitability of the subject Property, including, but not limited to, land use, zoning and other governmental restrictions and requirements. Buyer is acquiring the subject Property "as is", in its present state and condition solely in reliance upon Buyer's own investigation, and no representations or warranties of any kind, express or implied, have been made by the Agency or its representatives, except as expressly set forth in this Agreement. Buyer unconditionally releases Agency from and against any and all liability, both known and unknown, present and future, for any and all damages, losses, claims and costs (including without limitation, the existence of hazardous materials), or the subject Property's non-suitability for intended use. With respect to this Section, Buyer waives the provisions of California Civil Code Section 1542 which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."
11. Buyer will accept the subject Property, and the matters relating to the subject property listed below, in the present "as is" condition. The matters are:
 - a. Soils, Topography, Etc. Soils and geological condition; topography, area and configuration; archeological, prehistoric and historic artifacts, remains and relics; endangered species.
 - b. Utilities, Schools, Etc. Availability of utilities, schools, public access, and fire and police protection.
 - c. Assessment Districts. The status and assessments of any and all assessment districts.
 - d. Planning and Zoning. Applicable planning, zoning, and subdivision statutes, ordinances, and regulations.

- e. Easements and Encroachments. Any easement, license, or encroachment which is not a matter of public record, whether or not visible upon inspection of the subject property; Agency warrants to Buyer that Agency knows of no such easement license or encroachment.
- f. Other Matters. Any other matter relating to the subject property or to the development of the subject property, including, but not limited to, value, feasibility, cost, governmental permissions, marketing and investment return, except as otherwise expressly provided in this Agreement.
12. Real Estate Commissions. Each party warrants to the other that no brokers or finders have been employed or are entitled to a commission or compensation in connection with this transaction. Each party agrees to indemnify, protect, hold harmless and defend the other party from and against any obligation or liability to pay any such commission or compensation arising from the act or agreement of the indemnifying party.
13. Buyer covenants by and for himself, his heirs, executors, administrators, and assigns, and all persons claiming under or through him, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Buyer or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

Dated: _____

BUYER


Clifford H. Baas

Dated: _____

REDEVELOPMENT AGENCY OF THE CITY
OF CHULA VISTA

Ann Hix
Acting Community Development Director